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| APPLICATION NO. | FILING DATE | FIRST NAMED INVENTOR | ATTORNEY DOCKET NO. | CONFIRMATION NO. |
|---|-------------|----------------------|---------------------|------------------|
| 09/837,664 | 04/18/2001 | Jeff Spalding | 22819 | 9909 |
| 7590 | 12/23/2003 | | EXAMINER | |
| RICHARD K. WARTHER Allen, Dyer, Doppelt, Milbrath & Gilchrist, P.A. P.O. Box 3791 Orlando, FL 32802-3791 | | | | MATZ, DANIEL R |
| | | ART UNIT | | PAPER NUMBER |
| | | 3641 | | |

DATE MAILED: 12/23/2003

Please find below and/or attached an Office communication concerning this application or proceeding.

| | | |
|------------------------------|--------------------------------------|---------------------------------------|
| Office Action Summary | Application No. 09/837,664 | Applicant(s) SPALDING, JEFF |
| | Examiner Daniel Matz | Art Unit 3641 |

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
- Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

1) Responsive to communication(s) filed on ____.

2a) This action is **FINAL**. 2b) This action is non-final.

3) Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

4) Claim(s) 1-17 is/are pending in the application.
4a) Of the above claim(s) _____ is/are withdrawn from consideration.
5) Claim(s) _____ is/are allowed.
6) Claim(s) 1-17 is/are rejected.
7) Claim(s) _____ is/are objected to.
8) Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

9) The specification is objected to by the Examiner.

10) The drawing(s) filed on _____ is/are: a) accepted or b) objected to by the Examiner.

Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).

Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).

11) The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. §§ 119 and 120

12) Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
a) All b) Some * c) None of:
1. Certified copies of the priority documents have been received.
2. Certified copies of the priority documents have been received in Application No. _____.
3. Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

13) Acknowledgment is made of a claim for domestic priority under 35 U.S.C. § 119(e) (to a provisional application) since a specific reference was included in the first sentence of the specification or in an Application Data Sheet. 37 CFR 1.78.
a) The translation of the foreign language provisional application has been received.

14) Acknowledgment is made of a claim for domestic priority under 35 U.S.C. §§ 120 and/or 121 since a specific reference was included in the first sentence of the specification or in an Application Data Sheet. 37 CFR 1.78.

Attachment(s)

1) Notice of References Cited (PTO-892)
2) Notice of Draftsperson's Patent Drawing Review (PTO-948)
3) Information Disclosure Statement(s) (PTO-1449) Paper No(s) 6 .

4) Interview Summary (PTO-413) Paper No(s). ____ .
5) Notice of Informal Patent Application (PTO-152)
6) Other: _____

DETAILED ACTION

Claim Rejections - 35 USC § 101

1. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

2. For a claim to be statutory under 35 USC 101 the following two conditions must be met:

- 1) In the claim, the practical application of an algorithm or idea result in a useful, concrete, tangible result, and
- 2) The claim provides a limitation in the technological arts that enables a useful, concrete, tangible result.

See MPEP 2106 Section IV 2 (b). Also note In re Waldbaum, 173USPQ 430 (CCPA 1972) which teaches “useful arts” is synonymous with “technological arts”, and In re Musgrave 167USPQ 280 (CCPA 1970), In re Johnston, 183USPQ 172 (CCPA 1974), and In re Toma, 197USPQ 852 (CCPA 1978), which all teach a technological requirement.

3. Claims 1-3 and 5-17 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter. Specifically, the claims make no reference to technology such as a method performed using a computer, a computer system for performing the method, or a computer storage media having stored thereon the instructions for performing the method, and could be performed by an individual or individuals without a computer.

Claim Rejections - 35 USC § 102

4. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of application for patent in the United States.

5. Claims 1-6, 11, and 14-15, are rejected under 35 U.S.C. 102(b) as being anticipated by USPN 5,826,245 granted to Sandberg-Diment.

Regarding claim 1, Sandberg-Diment discloses (see abstract; figs. 2 and 3; col. 2 line 32 – col. 3 line 67) a method for providing a secure transaction comprising the steps of: sending to a seller (16) from the buyer an approval code (first token, 41/43); matching the approval code received from the buyer with an approval code (36) received from an authorization processor (20); and confirming the transaction between buyer and seller if a match is made between the approval codes. Note that “matching” does not necessarily mean the codes are equal to one another, but rather that the codes are both related to, or “match,” the same transaction. Note also that confirmation of the transaction is provided by the authorization processor to the vendor in the form of the authorization code, and is done by comparing (or matching) the codes received from the buyer and the seller (col. 1, lines 57-60).

Regarding claim 2, Sandberg-Diment discloses (fig. 2) an authorization processor (20) comprising a credit card provider.

Regarding claim 3, Sandberg-Diment discloses (fig. 2) a seller (16) comprising a merchant.

Regarding claim 4, Sandberg-Diment discloses approval codes being transmitted and received over a computer network (fig. 2, item 40, the internet).

Regarding claim 5, Sandberg-Diment discloses a method including authenticating the identity of the buyer (col. 1, lines 57-60, disclose comparing the

information received with stored confidential information, e.g., name and address information used to authenticate the buyer's identity).

Regarding claim 6, Sandberg-Diment inherently discloses a transaction for a credit card purchase of goods and/or services (col. 1, lines 8-9 disclose a credit card purchase, which would inherently include goods and/or services). As to limitations that are considered to be inherent in a reference, note the case law of In re Ludtke, 169 USPQ 563, In re Swinehart, 169 USPQ 226, In re Fitzgerald, 205 USPQ 594, In re Best et al., 195 USPQ 430, and In re Brown, 173 USPQ 685, 688.

Regarding claim 11, Sandberg-Diment discloses a method including receiving at a seller (16) a transaction request (purchase order, col. 1, lines 17-18) from a buyer. Other features of the claim are address above regarding claim 1.

Regarding claim 14, Sandberg-Diment discloses (fig. 2) an authorization processor (20) comprising a credit card provider.

Regarding claim 15, Sandberg-Diment discloses (fig. 2) a seller (16) comprising a merchant.

Claim Rejections - 35 USC § 103

6. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

7. Claims 7-10, 12, and 16-17 are rejected under 35 U.S.C. 103(a) as being unpatentable over Sandberg-Diment as applied to claims 1 and 11 above, in view of USPN 6,012,144 granted to Pickett.

Regarding claims 7 and 16, Sandberg-Diment does not disclose a method wherein a preauthorization is made to the authorization processor from the buyer via a voice call from the buyer. Pickett teaches a method wherein an order is preauthorized via a voice call from the buyer (col. 6, lines 23-67) in order to enhance security of an on-line purchase. (Note that while the authorization processor initiates the voice call, the information is provided from the buyer and thus the call is from the buyer). Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to incorporate the use of a preauthorization made to the authorization processor from the buyer via a voice call from the buyer in the method of Sandberg-Diment in order to enhance security of an on-line purchase.

Regarding claims 8 and 17, Pickett teaches the use of an interactive voice response unit (IVR, 50) for receiving and handling the voice call from the buyer.

Regarding claim 9, as best understood, Pickett teaches the use of an approval code (PIN – col. 6, line 38) to provide preauthorization of the purchase.

Regarding claim 10, Pickett teaches preauthorization comprising a credit card number (see fig. 3A).

Regarding claim 12, Sandberg-Diment teach as prior art (col. 1, lines 15-30) providing normal credit card information to the seller from the buyer. Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was

made to modify the security method disclosed by Sandberg-Diment to provide normal credit card information to the seller from the buyer, and incorporate a separate authorization code (that would be split into two pieces and used to provide a separate secure authorization for the on-line purchase).

8. Claim 13 is rejected under 35 U.S.C. 103(a) as being unpatentable over Sandberg-Diment as applied to claim 11 above, in view of USPN 5,949,044 granted to Walker et al.

Sandberg-Diment does not disclose a method where the buyer requests an authorization code from the authorization processor to forward to the seller. Walker et al. teach (fig. 11) a method where the buyer (transferor) requests an authorization code (identification number) from the processor (central controller) to forward to the seller (transferee) in order to enhance the security of a financial transaction. Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to incorporate these steps into the method of Sandberg-Diment in order to enhance security.

Conclusion

9. The prior art made of record and not relied upon is considered pertinent to applicant's disclosure.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Daniel Matz whose telephone number is (703) 306-4164. The examiner can normally be reached on Mon-Thurs, alt Fri 7:30am to 4:30pm.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Michael Carone can be reached on (703) 306-4198. The fax phone number for the organization where this application or proceeding is assigned is (703) 872-9326.

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the receptionist whose telephone number is (703) 306-4180.

DM

November 10, 2003

MICHAEL J. CARONE
SUPERVISORY PATENT EXAMINER